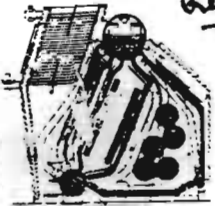


Recd: 5-18-87

COPIES: OTTO / NORM
HER / AL O / ALEX / BOE K
JIM GRIFFIN / CRAIG MILLER

CAID 981 172 SS4

HAZWASTE



Fraser's Boiler Service, Inc.

1746 Newton Avenue • P. O. Box 13186 • San Diego, CA 92113 • (619) 233-0195

May 18, 1987

Southwest Marine
Foot of Sampson
San Diego, CA 92113

Subject: DISPOSAL OF HAZARDOUS WASTES, SAN DIEGO AREA

Gentlemen,

Recent problems in the handling and disposal of "hazardous wastes" have brought to our attention the need to state Fraser's Boiler Service's Procedure and policy for quoting on and accomplishing work that may involve liquids, chemicals, or other materials classed as "hazardous" by State and Federal regulations.

Examples of work that FBS performs that fall into this category are hydrostatic testing of boilers using feed water and sodium nitrite; water jetting and lay-up of boilers, (also using feed water and sodium nitrite), chemical cleaning of boilers; evaporators and heat exchangers, testing condensers with water containing fluorescein dye.

BRUCE / CRAIG
WRITE LETTER FROM
MR. TELLING ERASER
THIS WILL MAKE THEM
NO ELIGIBLE TO work
for SWM
Inf.

(ENCL)

OUR POLICY IS AS FOLLOWS:


1. Removal, hauling, and disposal (including EPA manifest) of all fluids used for hydrostatic testing, flushing and lay-up of boilers, evaporators, heat exchangers, and condensers will be the responsibility of the Prime Contractor, regardless of the location of the vessel. This also applies to insulation materials classed as hazardous.

2. Removal, hauling, and disposal (excluding EPA manifest) of fluids and chemicals used for water-jetting, & chemical cleaning of boilers, evaporators, and heat exchangers will be the responsibility of F.B.S. and its sub-contractors.

The EPA number and manifest is to be provided by the Prime Contractor.

FBS will cooperate fully with the Prime Contractor and its Sub Contractor in coordinating this effort.

Sincerely,


Wm Thorson
Contract Administrator

WT/bgm



SOUTHWEST MARINE, INC.

SAN DIEGO DIVISION

"Specialists in the Repair,
Modernization and Maintenance
of Seagoing Vessels"

Foot of Sampson St., P.O. Box 13308, San Diego, CA 92113-0308
(619) 238-1000 / Telex: 910-335-1167 (SWM SDG)

Corporate Offices: San Diego

Harwase
disposal

May 28, 1987
Serial IE #117

Fraser's Boiler Service
1746 Newton Avenue
P. O. Box 13186
San Diego, CA 92113

Gentlemen:

We are in receipt of your letter dated May 18, 1987 stating your company's position on disposal and manifesting hazardous waste. The policy as described in your letter is unacceptable.

Your company is to provide the manifests, EPA numbers, and a licensed, inspected disposal vehicle for any hazardous fluids, material uncovered or produced/manufactured subject to regulation, incident to work performed by Fraser's Boiler Service (FBS).

You are also required to supply Southwest Marine copies of the completed manifests attesting to the lawful disposition of hazardous materials removed from U.S.N. ships in our facility by FBS or by your company's direction.

Until such time as your position is modified to reflect the above requirements, we consider that FBS is ineligible to perform work with and/or for Southwest Marine, Inc.

Very truly yours,

SOUTHWEST MARINE, INC.

Bruce O. Gair
Director, Industrial Engineering

BOG:CAM:df

cc: President, Counsel, Contracts Mgr., Production Mgr., Safety,
Facilities Supt., QA Mgr., Chief Estimator, Gen. Mgrs.-S.D.,
S.F., S.P., Samoa

SAN FRANCISCO • P.O. Box 7644 (Pier 28) • San Francisco, CA 94120-7644 • (415) 543-0499
SOUTH PACIFIC BASIN • P.O. Box 1299 • Pago Pago American Samoa 96799 • 011 (684) 633-4123 • Telex: 525 (SWM SB)
SAN PEDRO • 985 So. Seaside • P.O. Box 3600 • Terminal Island, CA 90731-7331 • (213) 519-0600 • Telex: 910-345-6638 (SWM TERM)
SAN DIEGO • Foot of Sampson Street • P.O. Box 13308 • San Diego, CA 92113-0308 • (619) 238-1000 • Telex: 910-335-1167 (SWM SDG)

HAZWASTE.

MEMO TO DISTRIBUTION

6/10/87

SUBJECT: HAZARDOUS WASTE HANDLING

REF (a) - USS HARRY W HILL (DD 986)
- ITEM NO 992-11-005 (N)
- SHIP'S FORCE GENERATED HAZARDOUS
WASTE; PROCEDURES FOR STOWAGE, HANDLING
AND DISPOSAL AT CONTRACTOR FACILITIES.

- THE SOLICITATION FOR THE "HARRY W HILL" ARRIVED ON
THE STREET TODAY, AND THE SPECIFICATION INCLUDES
A NEW ITEM — REF (a).
- A COPY OF REF (a) IS ATTACHED FOR YOUR
INFORMATION.

Frank

DISTRIBUTION:

DAVE BECHTEL

HERB ENGEL

BRUCE GAIR

JIM GRIFFIN

BOB KILPATRICK

BOB MCKAY

CRAIG MILLER

AL OVROM

DOUG PEEL

AL SANTORO

ALEX VINCK

BILL WHITE

*Also call
Sap...
Safety?*

*Can't find him
but - we'll
try*

*BRUCE
SEND TO
AND TALK TO
D.H.S.
LEB WILSON*

HERB:

*RAATHER THAN GOING
TO DONS, I've sent to
Bates - Since I feel it
is a violation of the
intent of the "Hunter Amendment"*

*Also, pls be aware that that one
Gov't meant to say "... in the margin
above the generator block ..." per Duct*

Bob - *doesn't this violate intent of the new Hunter amendment?*

6/12/87

SHIP: USS HARRY W. HILL (DD 986)
COAR: 16-079

Aug 302
ITEM NO: 992-11-005(N)
PCN:
SURVEYOR: BORINSKI

1. SCOPE:

1.1 Title: Ship's Force Generated Hazardous Waste; procedures for stowage, handling and disposal at contractor facilities

2. REFERENCES:

- a. California Hazardous Waste Control Law, Health and Safety Code, Chapter 6.5
- b. California Administrative Code, Title 22, Chapter 30; Minimum Standards for Management of Hazardous and Extremely Hazardous Wastes
- c. State of California Uniform Hazardous Waste Manifest Form No. DHS-8022 11/82

3. REQUIREMENTS:

3.1 Comply with the requirements of 2.a and 2.b.

3.1.1 The applicable definitions, including those of "hazardous waste" and "extremely hazardous waste" are contained in 2.a and 2.b.

3.2 Accomplish the following when the place of performance of the job order is a contractor facility.

3.2.1 Provide and control a hazardous waste receiving area, supplied with Department of Transportation approved hazardous waste containers, for hazardous waste generated by Ship's Force while at contractor facilities. Dispose of hazardous waste at end of contract period.

3.2.1.1 Attachment (A) will be used as guidance to identify types of hazardous waste that may be generated by ship's force.

3.2.1.2 Stowage, handling and disposal of hazardous waste shall be in the following amounts, using Attachment (B) as guidance

<u>HMIC</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Amount Liquid (Gals)	250	250	500	500
Amount Solid (Lbs)	150	150	250	250

3.2.2 Identify all hazardous waste and extremely hazardous waste produced.

SHIP: USS HARRY W. HILL (DD 986)

3.2.2.1 The analysis of any waste requiring the services of a testing laboratory shall be performed by a laboratory certified by the California State Department of Health Services to be competent and equipped to conduct the specific type of analysis to be performed.

3.2.3 Report the results of 3.2.2 by completing all blocks required to be filled in by Generator on 2.c.

3.2.3.1 Include contract job order number in Generator block.

3.2.3.2 Attach a copy of any report of a chemical analysis or other document evidencing identification of the waste.

3.2.3.1 Submit four legible copies 2.c completed in accordance with this specification item to the SUPERVISOR at the time of disposal.

3.3 Nothing contained in this job order shall relieve the contractor from complying with applicable federal, state, and local laws, codes, ordinances and regulations, including the obtaining of licenses and permits, in connection with hazardous material in the performance of this contract.

4. NOTES:

4.1 None

5. GOVERNMENT FURNISHED MATERIAL (GFM):

5.1 None

8 7DD9864284 R2 mg 05/20/87

JCN: _

PCN: 992-11-005

SWLIN: _



**Shipbuilders
Council of
America**

1110 Vermont Avenue, N.W.
Washington, D.C. 20005-3553
202-775-9060

July 16, 1987

To: ENVIRONMENTAL CONTROL COMMITTEE

Subject: Liability for Shipboard Hazardous Waste

Dis

For your review and comment, attached is a draft letter on the above captioned subject. A determination as to whether to send to SECNAV Webb or ADM Rowden has yet to be made.

W. Patrick Morris

W. Patrick Morris
Vice President &
General Counsel

Attachments

DRAFT

342-8514

July 15, 1987

Honorable James H. Webb, Jr.
Secretary of the Navy
Department of the Navy
The Pentagon
Room 4E686
Washington, D.C. 20530-1000

Commander
Naval Sea Systems Command
or SEA55Z3
Department of the Navy
Washington, D.C. 20362-5101

Re: Liability for Shipboard Hazardous Waste Disposal

Dear Secretary Webb or Admiral Rowden:

We are writing on behalf of the Shipbuilders Council of America ("Council") to express our deep concern over recent Navy contract documents (Attachment 1) prepared by the Supervisors of Shipbuilding (SUPSHIPS) in San Diego and Norfolk which purport to establish duties and liabilities of Navy and its contractors for the handling and disposal of hazardous wastes generated in the course of Navy ship repair work. The documents are internally inconsistent, do not follow Navy policy as expressed to representatives of this Council and Congress and appear to conflict with the law. We urge your immediate attention to this matter.

BACKGROUND

The issue of liability for shipboard hazardous wastes surfaced after a Chief of Naval Operations ("CNO") policy letter dated December 11, 1985, directed Naval Sea

Systems Command ("NAVSEA") to require private shipyards to use their own Resource Conservation and Recovery Act ("RCRA") generator identification numbers to dispose of wastes removed from naval vessels in the course of ship repair work. Under this policy, shipyards are required to act as the generator for the Navy and assume all responsibility under the environmental statutes for the proper discharge of those duties. In addition, the shipyard is presumed to be solely liable for all wastes produced in the course of ship repair work. The policy provided (1) no recognition of the Navy's own responsibility or liability as a hazardous waste generator, (2) no mechanism for reimbursing the shipyards for liability associated with the performance of those duties, and (3) no means for shipyards to calculate their potential liability or bid responsively on the costs of compliance.

NAVY REPRESENTATIONS

These issues were raised with Navy officials in discussions over the application of the CNO policy and in negotiations on terms of the contract documents intended by the Navy to implement that policy. Through this process, several written assurances regarding the Navy's intentions to work with the Council in resolving these issues have been received.

Vice Admiral T. J. Hughes, in response to a letter of Mr. Lee Rice, then President of the Shipbuilders Council of America, stated:

The contract clause and standard work items we are developing will make clear our willingness to negotiate with the Shipbuilders to insure that they are properly reimbursed for their efforts in disposing of all hazardous wastes removed from our ships and to make clear that we acknowledge our long-term liability associated with generator responsibility for hazardous wastes generated by the ship.

(See Attachment 2, emphasis added.) An even more explicit commitment was made by Acting Assistant Secretary L. Wayne Army, III in a letter to Congressman Duncan Hunter (R-Ca.) on June 26, 1986. In that letter (Attachment 3) Secretary Army stated:

[W]e are working on contract clauses and standard work items which will clearly establish requirements for the Navy to identify hazardous wastes on Navy ships prior to arrival at private shipyards and pay for modifications in quantity and type of waste to be removed. This will provide procedures for equitable pricing of hazardous waste management and disposal.

The Navy will also contractually recognize its long-term liability associated with hazardous wastes produced in the course of ship operations or ship repair or maintenance by ships force and will relieve the contractor of liability for this waste.

In addition, the Navy agrees to work with the Council to identify other areas of waste produced in the course of ship repair or maintenance and to assign or apportion Navy liability therefore.

(Emphasis added.) Taken together, the Council believed that these assurances marked substantial progress in resolving the Council's concerns over the development and implementation of the CNO policy.

LEGISLATION

In addition to the discussions between the Council and the Navy, this issue was also addressed in legislation. Section 1202 of the Navy's authorization bill for FY 1987 (10 U.S.C. § 7311) contains provisions setting forth the duties and liabilities of the Navy for the identification and contractual management of hazardous wastes aboard naval vessels. As enacted, that measure requires the Navy:

1. to identify the type and amount of hazardous wastes expected to be generated in the course of ship repair,
2. to negotiate acceptable terms setting forth the responsibility of the shipyards and the Navy for the removal, handling, storage, transportation and disposal of such wastes, and
3. to compensate the shipyard for the performance of such duties.

The Act also provides that contract terms may be renegotiated if the shipyard discovers wastes different in kind and amount from those identified in the contract and such

hazardous wastes originated on the naval vessel on which the repair or maintenance is being performed.

This language codifies in part the assurances provided to Congressman Hunter by Secretary Army.

NAVY CONTRACT LANGUAGE

Recent contract documents obtained from the SUPSHIPS in San Diego and Norfolk, respectively, appear to conflict with the assurances provided by Navy officials and the provisions of Section 1202.

Both documents are deficient in several critical respects. Neither of the proposed contract documents (1) expressly provides for compensation, (2) accounts for the requirement that a division of duties between the Navy and the contractor "be mutually acceptable," (3) provides for renegotiation of waste types and amounts which differ from those specified in the contract, (4) addresses the Navy's liability as a generator (5) nor provides any mechanism for indemnifying the contractor for liability incurred as the Navy's agent in the performance of duties as a waste generator.

The work item for the USS Harry W. Hill is not in strict compliance with the statutory requirements that the types and amounts of hazardous waste "expected to be generated during the performance of the repair or maintenance" be identified. Indeed, the types of wastes identified by the work item are not necessarily limited to what is generated during the performance of work because the contract simply identifies wastes that "may be generated by Ship's Force." Similarly, the clause does not identify the amount of waste likely to be generated during repairs, but instead provides that the "stowage, handling and disposal" of hazardous wastes is to be in certain amounts. Finally, the Harry Hill work item broadly requires the contractor to provide and control a hazardous waste receiving area for all wastes "generated by Ship's Force while at the contractor's facilities." The use of this language in the work item could potentially make

the contractor responsible for waste that is not identified in the contract and generated outside the time period in which repairs are performed.

The proposed rewritten NAVSEA standard work item (Norfolk) is also not in strict conformity with the requirements of Section 1202; nor is it consistent with the Harry Hill work item. This contract document does not limit the responsibilities of the contractor, as required by law, to "hazardous wastes generated during the performance of the repair or maintenance." Instead, the contractor is responsible, for the removal, handling, storage, transportation, and disposal of wastes produced not only by the job order, but also by government personnel. Wastes produced by government personnel may include wastes that are generated outside the performance of the repair or maintenance. Additionally, this work item specifies that the contractor identify 20 samples of wastes, not otherwise identified or known, without regard to the actual number of waste types identified or encountered during the course of ship repair. This requirement falls far short of the Navy's duty to identify the type and amount of waste expected to be produced and appears to circumvent the Navy's obligation to renegotiate the ship repair contracts for wastes not identified. Other deficiencies are equally apparent. Clearly, these documents fall far short of the Navy's obligations.

CONCLUSION

The Council and the Navy have cooperated well in the past to address and resolve the issues regarding hazardous waste liability. Substantial progress was made in those discussions, and we indicated a willingness to continue that constructive dialog. Quite naturally, then, the Council is highly disturbed that local SUPSHIPS, with or without NAVSEA knowledge and approval, are now proposing contract documents which do not conform to the Navy's promises and the requirements of the law.

Honorable James Webb
July 15, 1987
Page 6

We would appreciate the opportunity to meet with you or your staff to discuss this matter and develop a mutually acceptable solution. Please call if we can be of assistance.

Sincerely,

John J. Stocker

Enclosures

July 27, 1987

Re: Liability for Shipboard Hazardous Waste Disposal

Dear Ev:

On behalf of the Shipbuilders Council of America ("Council"), I am writing to express our deep concern over recent Navy contract documents (Attachment 1) prepared by the Supervisors of Shipbuilding (SUPSHIPS) in San Diego and Norfolk which purport to establish duties and liabilities of the Navy and its contractors for the handling and disposal of hazardous wastes generated in the course of Navy ship repair work. The documents are internally inconsistent, do not follow Navy policy as expressed to representatives of this Council and Congress, and appear to be in conflict with the law. We urge your immediate attention to this matter.

BACKGROUND

The issue of liability for shipboard hazardous wastes surfaced after a Chief of Naval Operations ("CNO") policy letter dated December 11, 1985, directed the Naval Sea Systems Command ("NAVSEA") to require private shipyards to use their own Resource Conservation and Recovery Act ("RCRA") generator identification numbers to dispose of wastes removed from naval vessels in the course of ship repair work even though the wastes were solely generated by the Navy. Under this policy, shipyards are required to act as the generator for the Navy and assume all responsibility under the environmental statutes for the proper discharge of those duties. In addition, the shipyard is presumed to be solely liable for all wastes produced in the course of ship repair work. The policy provided (1) no recognition of the Navy's own responsibility or liability as a hazardous waste generator, (2) no mechanism for reimbursing the shipyards for liability associated with the performance of those duties, and (3) no means for shipyards to calculate their potential liability or bid responsively on the costs of compliance.

NAVY REPRESENTATIONS

These issues were raised with Navy officials in discussions over the applications of the CNO policy and in negotiations on terms of the contract documents intended by the Navy to implement that policy. Through this process, several written assurances regarding the Navy's intentions to work with the Council in resolving these issues have been received.

Vice Admiral T. J. Hughes, in response to a letter of M. Lee Rice, then President of the Shipbuilders Council of America, stated:

The contract clause and standard work items we are developing will make clear our willingness to negotiate with the shipbuilders to insure that they are properly reimbursed for their efforts in disposing of all hazardous wastes removed from our ships and to make clear that we acknowledge our long-term liability associated with generator responsibility for hazardous wastes generated by the ship.

(See Attachment 2, emphasis added.)

An even more explicit commitment was made by Acting Assistant Secretary of the Navy L. Wayne Army, III in a letter to Congressman Duncan Hunter (R-CA) on June 26, 1986. In that letter Acting Secretary Army stated:

[W]e are working on contract clauses and standard work items which will clearly establish requirements for the Navy to identify hazardous wastes on Navy ships prior to arrival at private shipyards and pay for modifications in quantity and type of waste to be removed. This will provide procedures for equitable pricing of hazardous waste management and disposal.

The Navy will also contractually recognize its long-term liability associated with hazardous wastes produced in the course of ship operations or ship repair or maintenance by ships force and will relieve the contractor of liability for this waste.

In addition, the Navy agrees to work with the Council to identify other areas of waste produced in the course of ship repair or maintenance and to assign or apportion Navy liability therefore.

(See Attachment 3, emphasis added.)

Taken together, the Council believed that these assurances marked substantial progress in resolving the Council's concerns over the development and implementation of the CNO policy. The recent SUPSHIPS contract documents belie the appearance of progress.

LEGISLATION

In addition to the discussions between the Council and the Navy, this issue was also addressed in legislation. Section 1202 of the Department of Defense Authorization Act for FY 1987 (10 U.S.C. s 7311) contains provisions setting forth the duties and liabilities of the Navy for the identification and contractual management of hazardous wastes aboard naval vessels. As enacted, that measure requires the Navy:

1. to identify the type and amount of hazardous wastes expected to be generated in the course of ship repair,
2. to negotiate acceptable terms setting forth the responsibility of the shipyards and the Navy for the removal, handling, storage, transportation and disposal of such wastes, and

3. to compensate the shipyard for the performance of such duties.

The Act also provides that contract terms may be renegotiated if the shipyard discovers wastes different in kind and amount from those identified in the contract and such hazardous wastes originated on the naval vessel on which the repair or maintenance is being performed. This language codifies in part the assurances provided to Congressman Hunter by Acting Secretary Army.

NAVY CONTRACT LANGUAGE

Recent contract documents obtained from the SUPSHIPS in San Diego and Norfolk, respectively, appear to conflict with the assurances provided by Navy officials and the provisions of Section 1202. Both documents are deficient in several critical respects. Neither of the proposed contract documents (1) expressly provides for compensation, (2) accounts for the requirement that a division of duties between the Navy and the contractor "be mutually acceptable," (3) provides for renegotiation of waste types and amounts which differ from those specified in the contract, (4) addresses the Navy's liability as a generator, or (5) provides any mechanism for indemnifying the contractor for liability incurred as the Navy's agent in the performance of duties as a waste generator.

The proposed rewritten NAVSEA standard work item (Norfolk) is not in strict conformity with the requirements of Section 1202. This contract document does not limit the responsibilities of the contractor, as required by law, to "hazardous wastes generated during the performance of the repair or maintenance." Rather, the contractor is responsible, for the removal, handling, storage, transportation, and disposal of wastes produced not only by the job order, but also by government personnel. Wastes produced by government personnel may include wastes that are generated outside the performance of the repair or maintenance. Additionally, this work item specifies that the contractor identify 20 samples of wastes, not otherwise identified or known, without regard to the actual number of waste types identified or encountered during the course of ship repair. This requirement falls far short of the Navy's duty to identify the type and amount of waste expected to be produced and appears to circumvent the Navy's obligation to renegotiate the ship repair contracts for wastes not identified. Other deficiencies are equally apparent.

Although the work item for the Harry W. Hill was deleted from the contract when its deficiencies were brought to the attention of the Supervisor of Shipbuilding in San Diego, the fact that the local SUPSHIP would promulgate a contract provision so glaringly deficient is highly disturbing to the Council. As published, that work item was also not in strict compliance with the statutory requirement that the types and amounts of hazardous waste "expected to be generated during the performance of the repair or maintenance" be identified. Originally, the types of wastes identified by the work item were not necessarily limited to what is generated during the performance of work because the contract simply identified wastes that "may be generated by Ship's Force." The clause did not identify the amount of waste likely to be generated during repairs, but instead provided that the "stowage, handling and disposal" of

hazardous wastes would be in certain amounts. Finally, the Harry W. Hill work item broadly required that the contractor provide and control a hazardous waste receiving area for all wastes "generated by Ship's Force while at the contractor's facilities." Such language could potentially make the contractor responsible for waste that is not identified in the contract and generated outside the time period in which repairs are performed.

We have been advised that the Navy will attempt to rewrite the Harry W. Hill work item simply by providing a list of all "types" of known hazardous wastes and dividing them into four categories. The revision is equally unacceptable since a contractor bidding such a work item would not be provided with clear, definitive, biddable specifications. If this "clarification" takes the unacceptable form we surmise, it would again frustrate the intent of Congress in Section 1202 to fairly compensate contractors for disposing of hazardous wastes which are the responsibility of the Navy. Clearly, these contracts and potential contracts do not satisfy the obligations of the Navy under law.

CONCLUSION

The Council and the Navy have cooperated in the past to address and resolve the issues regarding hazardous waste liability. Substantial progress was made in those discussions, and we indicated a willingness to continue that constructive dialogue. Quite naturally, then, the Council is highly disturbed that local SUPSHIPS, with or without NAVSEA knowledge and approval, are proposing contract documents which do not conform to the Navy's promises and the requirements of the law.

We would appreciate the opportunity to meet with you or your staff to discuss this matter and develop a mutually acceptable solution. Please call if we can be of assistance.

Sincerely,

John J. Stocker
President

The Honorable Everett Pyatt
Assistant Secretary of the Navy
(Shipbuilding and Logistics)
Department of the Navy
Crystal Plaza 5, Room 266
Washington, DC 20360

Enclosures



disposal

HAZWASTE P.2

DUNCAN HUNTER
5TH DISTRICT, CALIFORNIA

COMMITTEE ON ARMED SERVICES

SUBCOMMITTEE:
SEAPOWERS

RESEARCH AND DEVELOPMENT

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL

REPUBLICAN TASK FORCE
ON AGRICULTURE

ASSISTANT REGIONAL WHIP

133 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-6672

366 SOUTH PIERCE STREET
EL CAJON, CA 92020
(619) 878-3001—INLAND
(619) 293-8383—COASTAL

1101 AIRPORT ROAD, SUITE 11
IMPERIAL, CA 92251
(619) 353-5420

825 IMPERIAL BEACH BOULEVARD
IMPERIAL BEACH, CA 92037
(619) 423-3011

The 100th Congress
U.S. House of Representatives
Washington, DC 20515

September 17, 1987

Honorable Everett Pyatt
Assistant Secretary Shipbuilding and
Logistics
Department of the Navy
2211 Jefferson Davis Highway
Arlington, VA 20360

Dear Secretary Pyatt:

We are writing regarding a very serious problem in the ship repair industry -- hazardous waste disposal. This is an issue that impacts severely on the industry.

As you know, concern among shipbuilders arose over a Naval Sea System Command requirement in 1985 that private shipyards use their own Resource Conservation and Recovery Act (RCRA) generator identification number when disposing of wastes removed from naval vessels. The ship repair industry expressed their view that wastes generated by the Navy are the responsibility of the Navy.

The Navy and the shipbuilders have tried to work together to try to resolve this issue. In a letter from Acting Assistant Secretary of the Navy L. Wayne Army, III, he stated "The Navy will also contractually recognize its long-term liability associated with hazardous waste produced in the course of ship operation or ship repair or maintenance by ships force and will relieve the contractor of liability for this waste." In addition, legislation was passed in the Fiscal Year 1987 Defense Authorization Act that codified required contract provisions for handling of hazardous waste generated during repair or maintenance of naval vessels.

Recently, however, contract documents appear contrary to the policy in the DOD authorization bill. For example the two contract documents relating to the USS AUBREY FITCH and USS AQUILA contradict the Navy's assurances that they would take

OPY AC SANTORO
CRAIG MILLER
BRUCE GARDNER
LEE WILSON (USO)
BOB ALLEN CAMS

Secretary Pyatt
September 17, 1987
Page Two

liability for the waste generated by them. These contract documents require the contractor to use his generator identification number and "assume all generator responsibilities under the RCRA."

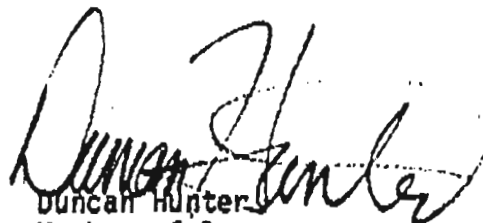
Again, we feel this requirement is in direct conflict with Secretary Army's statement and the Defense Authorization Act. We would appreciate your looking into this matter.

With best wishes.

Sincerely,



Charles Bennett
Member of Congress



Duncan Hunter
Member of Congress

cc: Honorable Les Aspin
Chairman, House Armed Services Committee

Supervisor of Shipbuilding
San Diego, California

Supervisor of Shipbuilding
Jacksonville, Florida

DH/vm



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(SHIPBUILDING AND LOGISTICS)
WASHINGTON, DC 20360-8000

Disposal

HAZWASTE

cc: Herb

Bill J.

Carl H.

Al Santoro

Mike Anderson

OCT 18 1987

Mike McKeown

Craig Miles

Bill White

Bob McKay

Mike Pomeroy

[Signature]
Mr. John J. Stocker
President
Shipbuilders Council of America
1110 Vermont Avenue, N.W.
Washington, D.C. 20005-3553

Dear John:

This is in reply to your letter of 27 July 1987 and Mr. Morris' letter of 28 August 1987 regarding disposal of hazardous waste generated in the course of Navy ship repair work.

The Navy has been working with the Shipbuilders Council of America (SCA) and other industry members to implement the December 1985 decision through the development and use of a standard work item (SWI). This will place administrative responsibilities for generators of hazardous waste (as defined under the Resource Conservation and Recovery Act (RCRA)) on the owner of the physical site where the waste is generated. We thoroughly understand that the assignment by contract of administrative responsibilities cannot and does not remove Navy's legal responsibility for the proper disposal of the Navy's share of waste cogenerated by Navy and contractor personnel or for waste generated solely by Navy personnel. This liability is imposed by RCRA and the Comprehensive Environmental Response, Compensation and Liability Act (Superfund) independent of the contractual division of administrative duties.

In June 1987, the Standard Specification for Ship Repair and Alteration Committee, which includes representatives of SCA, considered and adopted a SWI. This was based on discussions the Navy has had with the ship repair industry dating back to December 1985. The SWI complies with the requirements of 10 U.S.C. 7311 and with Navy policy. This work item identifies and quantifies hazardous waste expected to be generated by a particular job. It will also supersede previously used local items, such as the ones you have attached to your letters, when it becomes final later this month.

We will continue our consideration of including in the Master Ship Repair contract a clause that reiterates the liabilities imposed by RCRA and Superfund. We will also continue to review the implementation of Navy policy and 10 U.S.C. 7311 to

assure that any problems that arise are resolved in a fair and reasonable manner. If you have questions involving specific solicitations, please address them to the activity issuing the solicitation for resolution.

We intend to continue working with SCA to resolve these problems in a fair and reasonable manner. Please let me know if you feel a meeting would be helpful regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to be 'KE' followed by a stylized flourish.

KEITH E. EASTON
PRINCIPAL DEPUTY
ASSISTANT SECRETARY OF THE NAVY
(SHIPBUILDING AND LOGISTICS)



**Shipbuilders
Council of
America**

1110 Vermont Avenue, N.W.
Washington, D.C. 20005-3553
202-775-9060

cc: CARL HANSON SF
BILL Johnston SP
MIKE McKEOWN SP
MIKE ANDERSON SF
AL SONDORO
CRAIG MILLER } SD
BILL WHITE }
MIKE QUINN }

HAZWASTE

disposal

October 13, 1987

To: ENVIRONMENTAL CONTROL COMMITTEE

by (I'm on This Committee)

Subject: Hazardous Waste Disposal

For your information, attached are two self-explanatory letters on the above captioned subject.

W. Patrick Morris

W. Patrick Morris
Vice President &
General Counsel

Attachments

Collier, Shannon, Rill & Scott
Attorneys-at-Law

1055 Thomas Jefferson Street, N. W.
Washington, D. C. 20007

Telephone: (202) 842-8400

Telex: 440665 CSRS UI

Writer's Direct Dial Number

342-8514

October 6, 1987

Robert A. Collier (1917-1984)
Thomas F. Shannon
James F. Rill
William W. Scott
David A. Hartquist
James M. Nicholson (1928-1986)
Richard S. Silverman
R. Timothy Columbus
Lauren R. Howard
Paul D. Cullen
Kathleen E. McDermott
Michael D. Sherman
Mark L. Austrian
Jeffrey W. King
Joel Yohalem
John B. Williams
Paul C. Rosenthal
Gary Jay Kushner
Robert N. Steinwurtzel
James R. Loftis, III
John L. Wittenborn

Jeffrey L. Letter
Michael R. Kershow
Jeffrey S. Beckington
Judith L. Oldham
Patrick B. Fazzone
Jeanne M. Forch
Laurence J. Lasoff
Christopher J. MacAvoy
Kathleen Weaver Cannon
Patrick J. Coyne
Daniel J. Harrold
T. Michael Jankowski
Carol A. Mitchell
Frederick D. Baker
Joel M. Mitnick
K. Michael O'Connell
B. Michael Hodge
Mark D. Dopp
Mary T. Staley
J. Keith Ausbrook
Gerard P. Fox
W. Ashby Beal, Jr.
Robin H. Beekman
Anne M. Coffey

Robinwyn D. Lewis, Esquire
Department of the Navy
Office of General Counsel
Washington, D.C. 20362-5101

Re: Liability for Hazardous Wastes Produced on Naval
Vessels at Contractor Facilities

Dear Robin:

On July 27, 1987, John Stocker, President of the Shipbuilders Council of America ("Council") wrote Assistant Secretary Everett Pyatt to express concern over the promulgation by local Supervisors of Shipbuilding (SUPSHIP) of diverse contract documents setting forth responsibilities and liability for handling and disposal of hazardous wastes generated in the course of Navy ship repair work at contractor facilities. A copy of that letter is attached. Since that letter was sent, we have become aware of yet another contract document issued by SUPSHIP Jacksonville regarding the U.S.S. Aubrey Fitch. This solicitation suggests that the proliferation of contract documents which are inconsistent with the Navy's statutory obligations under Section 1202 of the DOD Authorization Act for FY 87 is continuing.

We are also aware, however, that the Navy has begun to address this problem. We have been advised that SUPSHIPS and NAVSEA personnel met recently to discuss the need for uniform language regarding hazardous waste disposal for all ship repair contracts. We strongly endorse this effort. As you know, the Council and its members have worked hard to devise a reasonable solution to this problem. We would welcome the opportunity to work with you in drafting or reviewing language which meets the needs of the Navy, shipbuilders and the requirements of law.

Please let me know if proposed uniform contract language has been drafted and is available for our review. Based upon our earlier discussions, we believe there is every likelihood that an acceptable compromise can be reached through negotiations.

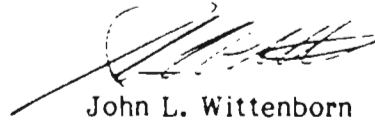
Robinwyn D. Lewis, Esq.
October 6, 1987
Page 2

Collier, Shannon, Rill & Scott

Certainly, it makes sense to resolve this issue through mutual discussions prior to implementation in the field.

We appreciate your cooperation in this matter.

Sincerely,



John L. Wittenborn

Enclosure

cc: Mr. John J. Stocker
Honorable Everett Pyatt

July 27, 1987

Re: Liability for Shipboard Hazardous Waste Disposal

Dear Ev:

On behalf of the Shipbuilders Council of America ("Council"), I am writing to express our deep concern over recent Navy contract documents (Attachment 1) prepared by the Supervisors of Shipbuilding (SUPSHIPS) in San Diego and Norfolk which purport to establish duties and liabilities of the Navy and its contractors for the handling and disposal of hazardous wastes generated in the course of Navy ship repair work. The documents are internally inconsistent, do not follow Navy policy as expressed to representatives of this Council and Congress, and appear to be in conflict with the law. We urge your immediate attention to this matter.

BACKGROUND

The issue of liability for shipboard hazardous wastes surfaced after a Chief of Naval Operations ("CNO") policy letter dated December 11, 1985, directed the Naval Sea Systems Command ("NAVSEA") to require private shipyards to use their own Resource Conservation and Recovery Act ("RCRA") generator identification numbers to dispose of wastes removed from naval vessels in the course of ship repair work even though the wastes were solely generated by the Navy. Under this policy, shipyards are required to act as the generator for the Navy and assume all responsibility under the environmental statutes for the proper discharge of those duties. In addition, the shipyard is presumed to be solely liable for all wastes produced in the course of ship repair work. The policy provided (1) no recognition of the Navy's own responsibility or liability as a hazardous waste generator, (2) no mechanism for reimbursing the shipyards for liability associated with the performance of those duties, and (3) no means for shipyards to calculate their potential liability or bid responsively on the costs of compliance.

NAVY REPRESENTATIONS

These issues were raised with Navy officials in discussions over the applications of the CNO policy and in negotiations on terms of the contract documents intended by the Navy to implement that policy. Through this process, several written assurances regarding the Navy's intentions to work with the Council in resolving these issues have been received.

Vice Admiral T. J. Hughes, in response to a letter of M. Lee Rice, then President of the Shipbuilders Council of America, stated:

The contract clause and standard work items we are developing will make clear our willingness to negotiate with the shipbuilders to insure that they are properly reimbursed for their efforts in disposing of all hazardous wastes removed from our ships and to make clear that we acknowledge our long-term liability associated with generator responsibility for hazardous wastes generated by the ship.

(See Attachment 2, emphasis added.)

An even more explicit commitment was made by Acting Assistant Secretary of the Navy L. Wayne Army, III in a letter to Congressman Duncan Hunter (R-CA) on June 26, 1986. In that letter Acting Secretary Army stated:

[W]e are working on contract clauses and standard work items which will clearly establish requirements for the Navy to identify hazardous wastes on Navy ships prior to arrival at private shipyards and pay for modifications in quantity and type of waste to be removed. This will provide procedures for equitable pricing of hazardous waste management and disposal.

The Navy will also contractually recognize its long-term liability associated with hazardous wastes produced in the course of ship operations or ship repair or maintenance by ships force and will relieve the contractor of liability for this waste.

In addition, the Navy agrees to work with the Council to identify other areas of waste produced in the course of ship repair or maintenance and to assign or apportion Navy liability therefore.

(See Attachment 3, emphasis added.)

Taken together, the Council believed that these assurances marked substantial progress in resolving the Council's concerns over the development and implementation of the CNO policy. The recent SUPSHIPS contract documents belie the appearance of progress.

LEGISLATION

In addition to the discussions between the Council and the Navy, this issue was also addressed in legislation. Section 1202 of the Department of Defense Authorization Act for FY 1987 (10 U.S.C. s 7311) contains provisions setting forth the duties and liabilities of the Navy for the identification and contractual management of hazardous wastes aboard naval vessels. As enacted, that measure requires the Navy:

1. to identify the type and amount of hazardous wastes expected to be generated in the course of ship repair,
2. to negotiate acceptable terms setting forth the responsibility of the shipyards and the Navy for the removal, handling, storage, transportation and disposal of such wastes, and

3. to compensate the shipyard for the performance of such duties.

The Act also provides that contract terms may be renegotiated if the shipyard discovers wastes different in kind and amount from those identified in the contract and such hazardous wastes originated on the naval vessel on which the repair or maintenance is being performed. This language codifies in part the assurances provided to Congressman Hunter by Acting Secretary Army.

NAVY CONTRACT LANGUAGE

Recent contract documents obtained from the SUPSHIPS in San Diego and Norfolk, respectively, appear to conflict with the assurances provided by Navy officials and the provisions of Section 1202. Both documents are deficient in several critical respects. Neither of the proposed contract documents (1) expressly provides for compensation, (2) accounts for the requirement that a division of duties between the Navy and the contractor "be mutually acceptable," (3) provides for renegotiation of waste types and amounts which differ from those specified in the contract, (4) addresses the Navy's liability as a generator, or (5) provides any mechanism for indemnifying the contractor for liability incurred as the Navy's agent in the performance of duties as a waste generator.

The proposed rewritten NAVSEA standard work item (Norfolk) is not in strict conformity with the requirements of Section 1202. This contract document does not limit the responsibilities of the contractor, as required by law, to "hazardous wastes generated during the performance of the repair or maintenance." Rather, the contractor is responsible, for the removal, handling, storage, transportation, and disposal of wastes produced not only by the job order, but also by government personnel. Wastes produced by government personnel may include wastes that are generated outside the performance of the repair or maintenance. Additionally, this work item specifies that the contractor identify 20 samples of wastes, not otherwise identified or known, without regard to the actual number of waste types identified or encountered during the course of ship repair. This requirement falls far short of the Navy's duty to identify the type and amount of waste expected to be produced and appears to circumvent the Navy's obligation to renegotiate the ship repair contracts for wastes not identified. Other deficiencies are equally apparent.

Although the work item for the Harry W. Hill was deleted from the contract when its deficiencies were brought to the attention of the Supervisor of Shipbuilding in San Diego, the fact that the local SUPSHIP would promulgate a contract provision so glaringly deficient is highly disturbing to the Council. As published, that work item was also not in strict compliance with the statutory requirement that the types and amounts of hazardous waste "expected to be generated during the performance of the repair or maintenance" be identified. Originally, the types of wastes identified by the work item were not necessarily limited to what is generated during the performance of work because the contract simply identified wastes that "may be generated by Ship's Force." The clause did not identify the amount of waste likely to be generated during repairs, but instead provided that the "stowage, handling and disposal" of

hazardous wastes would be in certain amounts. Finally, the Harry W. Hill work item broadly required that the contractor provide and control a hazardous waste receiving area for all wastes "generated by Ship's Force while at the contractor's facilities." Such language could potentially make the contractor responsible for waste that is not identified in the contract and generated outside the time period in which repairs are performed.

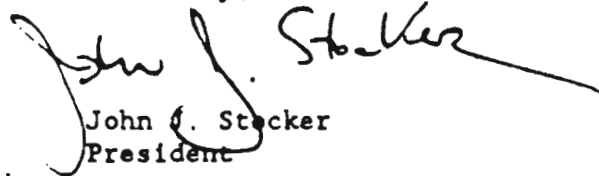
We have been advised that the Navy will attempt to rewrite the Harry W. Hill work item simply by providing a list of all "types" of known hazardous wastes and dividing them into four categories. The revision is equally unacceptable since a contractor bidding such a work item would not be provided with clear, definitive, biddable specifications. If this "clarification" takes the unacceptable form we surmise, it would again frustrate the intent of Congress in Section 1202 to fairly compensate contractors for disposing of hazardous wastes which are the responsibility of the Navy. Clearly, these contracts and potential contracts do not satisfy the obligations of the Navy under law.

CONCLUSION

The Council and the Navy have cooperated in the past to address and resolve the issues regarding hazardous waste liability. Substantial progress was made in those discussions, and we indicated a willingness to continue that constructive dialogue. Quite naturally, then, the Council is highly disturbed that local SUPSHIPS, with or without NAVSEA knowledge and approval, are proposing contract documents which do not conform to the Navy's promises and the requirements of the law.

We would appreciate the opportunity to meet with you or your staff to discuss this matter and develop a mutually acceptable solution. Please call if we can be of assistance.

Sincerely,


John F. Stocker
President

The Honorable Everett Pyatt
Assistant Secretary of the Navy
(Shipbuilding and Logistics)
Department of the Navy
Crystal Plaza 5, Room 266
Washington, DC 20360

Enclosures

DUNCAN HUNTER
18TH DISTRICT, CALIFORNIA

COMMITTEE ON ARMED SERVICES

SUBCOMMITTEE
SEAPOWER

RESEARCH AND DEVELOPMENT

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL

REPUBLICAN TASK FORCE
ON AGRICULTURE

ASSISTANT NATIONAL MAF



The 100th Congress
U.S. House of Representatives
Washington, DC 20515

September 17, 1987

133 Cannon Building
Washington, DC 20515
202 226-8877

366 South Power Street
El Cerrito, CA 94530
415 875-3001
415 883-6363

1101 Alameda Road, E.
Berkeley, CA 94711
415 353-5400

825 Marina Beach Drive
Marina del Rey, CA 90291
213 423-3000

Honorable Everett Pyatt
Assistant Secretary Shipbuilding and
Logistics
Department of the Navy
2211 Jefferson Davis Highway
Arlington, VA 20360

Dear Secretary Pyatt:

We are writing regarding a very serious problem in the ship repair industry -- hazardous waste disposal. This is an issue that impacts severely on the industry.

As you know, concern among shipbuilders arose over a Naval Sea System Command requirement in 1985 that private shipyards use their own Resource Conservation and Recovery Act (RCRA) generator identification number when disposing of wastes removed from naval vessels. The ship repair industry expressed their view that wastes generated by the Navy are the responsibility of the Navy.

The Navy and the shipbuilders have tried to work together to try to resolve this issue. In a letter from Acting Assistant Secretary of the Navy L. Wayne Arny, III, he stated "The Navy will also contractually recognize its long-term liability associated with hazardous waste produced in the course of ship operation or ship repair or maintenance by ships force and will relieve the contractor of liability for this waste." In addition, legislation was passed in the Fiscal Year 1987 Defense Authorization Act that codified required contract provisions for handling of hazardous waste generated during repair or maintenance of naval vessels.

Recently, however, contract documents appear contrary to the policy in the DOD authorization bill. For example the two contract documents relating to the USS AUBREY FITCH and USS AQUILA contradict the Navy's assurances that they would take

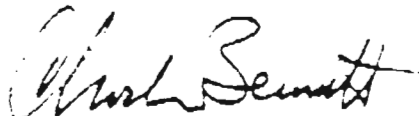
Secretary Pyatt
September 17, 1987
Page Two

liability for the waste generated by them. These contract documents require the contractor to use his generator identification number and "assume all generator responsibilities under the RCRA."

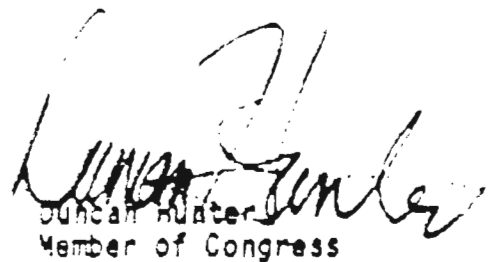
Again, we feel this requirement is in direct conflict with Secretary Arny's statement and the Defense Authorization Act. We would appreciate your looking into this matter.

With best wishes

Sincerely,



Charles Bennett
Member of Congress



Duncan Hunter
Member of Congress

cc: Honorable Les Aspin
Chairman, House Armed Services Committee

Supervisor of Shipbuilding
San Diego, California

Supervisor of Shipbuilding
Jacksonville, Florida

DH/vm



**Shipbuilders
Council of
America**

1110 Vermont Avenue, N.W.
Washington, D.C. 20005-3553
202-775-9060

December 1, 1987

Dear Secretary Eastin:

Subject: Solicitation Regarding USS SAMUEL B. ROBERTS (FFG-58)

On July 27, 1987, John Stocker wrote to Assistant Secretary Everett Pyatt to express concern over the promulgation by local Supervisors of Shipbuilding (SupShip) of diverse contract documents setting forth responsibilities and liability for handling and disposal of hazardous wastes generated in the course of Navy ship repair work at contractor facilities. Since that letter was sent, progress has been made through meetings of SupShip and NAVSEA personnel who have discussed the need for uniform language regarding hazardous waste disposal of all ship repair contracts. The Shipbuilders Council of America ("Council") strongly endorses this effort and have expressed our willingness to work with the Navy in drafting or reviewing language which meets the needs of the Navy, shipbuilders, and the requirements of the law.

The recent solicitation for the ROBERTS represents, in some respects, a substantial step forward. (A copy of the pertinent portion of the solicitation is enclosed.) For the first time, the Navy has inserted language which recognizes circumstances under which the Navy, rather than the contractor, should bear liability for problems resulting from the disposal of hazardous wastes. Unfortunately, however, the language fails to address adequately other issues which are required by law.

*NOT
ATTACHED*

As you know, Section 1202 of the Department of Defense Authorization Act for FY 1987 (10 U.S.C. s7311) requires the Secretary of the Navy to ensure that the Navy's repair or maintenance contracts include: (i) express provisions that identify the type and amount of hazardous wastes expected to be generated in the course of ship repair; (ii) express provisions which specify that the contractor shall be compensated under the contract for work performed in disposing of hazardous waste; and (iii) provisions that are "mutually acceptable" in specifying the responsibilities of the Navy and the contractor for the disposal of hazardous wastes generated during the repair or maintenance.

In many respects, the ROBERTS solicitation indicates that the Navy is still failing to meet its Section 1202 obligations. Specifically, Section 3.2 of the standard work item fails to identify with sufficient specificity the type and amount of hazardous wastes expected to be generated in the course of ship repair. The Navy's identification of expected wastes is essential for the contractor to formulate a reasonable bid based upon anticipated costs for a particular job. The contract also fails to include a statement that the Navy will compensate the contractor for those costs incurred by him in disposing of hazardous wastes generated during repair or maintenance.

There is also an absence of any "mutually acceptable" terms that specify the Navy's responsibilities and liability as a waste generator.



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(SHIPBUILDING AND LOGISTICS)
WASHINGTON, DC 20360-5000

DEC 21 1987

Mr. W. Patrick Morris
Vice President & General Counsel
Shipbuilders Council of America
1110 Vermont Avenue, N.W.
Washington, D.C. 20005-3553

Dear Mr. Morris:

Thank you for your letter of December 1, 1987, regarding a recent solicitation for the USS SAMUEL B. ROBERTS (FFG-58) and hazardous waste disposal in all ship repair contracts. I appreciate your comment that the ROBERTS solicitation is a substantial step forward.

Although it is inappropriate for me to comment on a specific solicitation, I would like to address your comments regarding failure of the solicitation to address all the issues on disposal of hazardous waste. Over the past several years, we have been working with the Shipbuilders Council and other shipbuilders to come to agreement on proper disposal of hazardous waste.

The work item in the ROBERTS solicitation addresses some of these issues and has been updated since this solicitation. The new work item, which will soon be made mandatory for use by all SUPSHIPS, provides eleven categories of hazardous waste, identifies the basic characteristics of the waste, and gives specific amounts for each. We would appreciate specific recommendation on ways to improve this listing of type and amount of waste, although experience alone will probably indicate further subdivisions.

In addition, we have nearly completed review and approval of a mandatory contract clause reiterating the liability of the Navy and the contractor for the generation of hazardous waste. This should be included within the next several weeks in all contracts for ship repair and overhaul. DOES NOT DO WHAT WE WANT!

I appreciate your interest in this matter and your willingness to meet to develop language which will achieve our mutual goals. Please call me at 692-3227 to arrange such a meeting.

Sincerely,

KEITH E. EASTIN
PRINCIPAL DEPUTY
ASSISTANT SECRETARY OF THE NAVY
(SHIPBUILDING AND LOGISTICS)

; E LAW!!

(1) The term "major non-NATO ally" means a country designated as a major non-NATO ally for the purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

(2) The term "cooperative research and development project" means a project involving joint participation by the United States and one or more major non-NATO allies under a memorandum of understanding (or other formal agreement) to carry out a joint research and development program—

(A) to develop new conventional equipment and munitions; or

(B) to modify existing military equipment to meet United States military requirements.

TITLE XII—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—MANAGEMENT OF CERTAIN PROCUREMENT MATTERS

SEC. 1201. CONTRACTS FOR OVERHAUL, REPAIR, AND MAINTENANCE OF NAVAL VESSELS

(a) **IN GENERAL.**—Section 7299a of title 10, United States Code (relating to construction of combatant and escort vessels and assignment of naval vessel projects), is amended by adding at the end the following new subsections:

"(c) In evaluating bids or proposals for a contract for the overhaul, repair, or maintenance of a naval vessel, the Secretary of the Navy shall, in determining the cost or price of work to be performed in an area outside the area of the homeport of the vessel, consider foreseeable costs of moving the vessel and its crew from the homeport to the outside area and from the outside area back to the homeport at the completion of the contract.

"(d)(1) Notwithstanding subsections (b) and (c), the Secretary may award a contract for short-term work for the overhaul, repair, or maintenance of a naval vessel only to a contractor that is able to perform the work at the homeport of the vessel, if the Secretary determines that adequate competition is available among firms able to perform the work at the homeport of the vessel.

"(2) In this subsection, the term 'short-term work' means work that will be for a period of six months or less."

(b) **REPEAL OF LIMITATION ON FY86 FUNDS.**—Section 8104 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190 (99 Stat. 1221)), is repealed.

SEC. 1202. HANDLING OF HAZARDOUS WASTE GENERATED DURING REPAIR OR MAINTENANCE OF NAVAL VESSELS

(a) **REQUIRED CONTRACT PROVISIONS.**—Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§7311. Repair or maintenance of naval vessels: handling of hazardous waste

"(a) CONTRACTUAL PROVISIONS.—The Secretary of the Navy shall ensure that a contract entered into for repair or maintenance of a naval vessel includes the following provisions:

WESTMORELAND VS MIRAMAR

300 extra miles = \$300
 7 extra hours = \$280
 per 20 TONS

$$\Delta 1 = \frac{580}{20} = \textcircled{\$29} / \text{TON XTRA.}$$

Basic Handling of

Flatcar to Silo - 50-60 TONS 2 ~~hours~~ 16 HRS.
 Silo - Blow Truck - 1 HR
 TRUCK to Hopper - 3 1/2 "
 Apply to HULL
 Load out ~~to~~ FROM DUMP
 TO YARD
 FROM YARD TO TRUCK.
 4 END Dumps to Miramar

1/2d 50-150 HRS.

~~2-3~~ 4 HRS.

4 x 1 1/2 = 6 HRS

2 16
 1
 3.5
 25
 4
 6
 55.5 HRS OF 1 FLAT
 CAR
 2220 HNDLING

$$\frac{\$2000}{60} / 60 \text{ TONS.}$$

∴ \$37 / TON FOR HANDLING. NON HAZARDOUS SAND
 Cost of SAND = \$50 TON
 \$1 \$29

Dump fee. \$56/20 TON ~~\$29~~ \$160+ / TON
 FOR HAZARDOUS
 SAND AT
ODDMAILIA